



HOLLY STREET DECOMMISSIONING PROJECT

Late Backup

Solicitation No.: CLMB301A

Public Presentation on Bid Differences
Austin City Council Work Session - May 10, 2011



May 10, 2011

 **TRC LVI**
IN ASSOCIATION WITH SERVICES



TRC – A Longtime Austin Resident

- TRC has 120 employees in Austin in a variety of scientific and technical disciplines.
- TRC has been a continuous and longtime member of the Austin, Texas business community for almost 25 years.
- TRC is a financially stable, publicly traded company.
- TRC has a strong balance sheet and cash position.
- TRC has participated on City Contracts since 2000; Staff have worked on City projects for almost 20 years.
- TRC has a proven history of local business participation on our numerous City of Austin and State of Texas contracts.

May 10, 2011





Experience with Similar Projects

"...thousands of truckloads of demolition debris, asbestos waste and contaminated soil were transported through the CB6 area without a single incident... it has been a pleasure working with [TRC] and the field staff over the past seven years."

Lyle Frank

*Chair – Manhattan
Community Board
6 (CB6)*

Fred Arcaro

*Chair – Public
Safety,
Environment &
Human Rights*

May 10, 2011

Waterside Generating Station – Demolition and Abatement in New York, NY

- Complete abatement and demolition of multi-unit power plant
- Demolition in waterway setting
- Project permitting
- \$20 M DBE participation on the team
- Fixed price contract
- Residential area
- TRC / LVI team
- Multiple demolition techniques
- Materials recycled (metals, oils, and concrete)
- Community relations management
- Global awards for carbon disclosure and reduction
- Redevelopment (mixed-use)
- Environmental remediation





Experience with Similar Projects

Power Plant– Demolition and Abatement for a Confidential Client in CA

- Complete abatement and demolition of multi-unit power plant
- PCB, asbestos and lead abatement
- Project permitting – multiple agencies
- Scope of work through environmental closure

- Fixed price contract
- TRC / LVI team
- Greater than 30% DBE participation
- Multiple demolition techniques/engineered falls
- Brownfield site overlying naturally occurring asbestos bedrock
- 99% of materials recycled (*metals, oils, and concrete*)
- Community relations management in an engaged community
- Adjacent residential community



"I am proud that as a city we are together honoring our commitment to this community."

Mayor Gavin Newsom

May 10, 2011

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Local Participation and Outreach

- Outreach efforts are an integral part of TRC's business philosophy - Mentor Enhanced System to Help Expand Development (MESHD) Program
- Early engagement and meaningful participation and scopes of work/mentoring
- Majority of the team is locally based
- Includes participation from Austin Area Black Contractors, U.S. Hispanic Contractors, Asian Contractor and Austin Alliance of Minority & Women Professionals
- We exceeded MBE/WBE participation goals (**34.7% total**)
- Team members from the Holly Street neighborhood
- TRC's commitment to the Holly community

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Pricing: Submittal #1 versus Submittal #2

- The revised RFP eliminated the \$5,000,000 credit for recycling of salvage and scrap materials from the original submission.

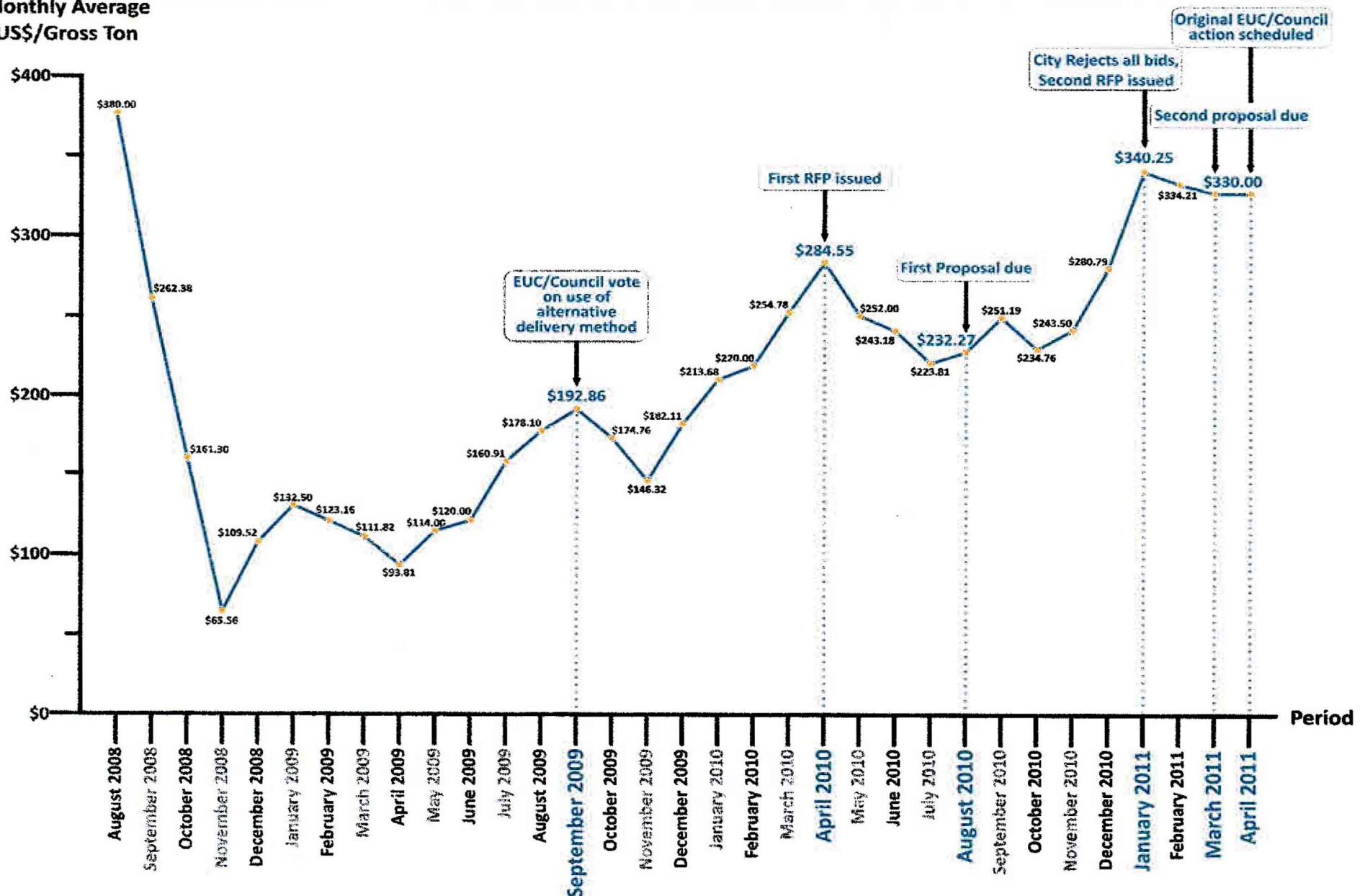
Outcome: \$5 M reduction in price

- Changes in the salvage and scrap metal prices
 - Lower and unstable prices when original proposal submitted
 - Higher and somewhat more stable prices when rebid proposal submitted
 - Trends corroborated by City's Consultant

Outcome: Because of the increased value of scrap and salvage, TRC was able to reduce its net rebid price ≈ \$3 M

Industry Standard Metal Prices August 2008-April 2011

Monthly Average
US\$/Gross Ton



pricing from <http://www.amm.com/Pricing/Custom-Price-Reports.html>



Pricing: Submittal #1 versus Submittal #2 (continued)

- Rebid Addenda #2 clarified that non-asbestos insulation did not need to be treated as if it contained asbestos.

Outcome: Reduction in net rebid price by ≈ \$3 M

- Based on review, updated bid assumptions concerning the scope of site civil work were developed from the clarified rebid scope of work.
- Clarified requirements included storm water management, grouting of underground chambers, fencing, and roadway barriers, and etc.

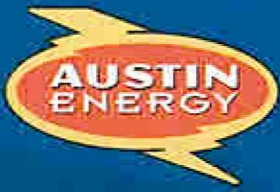
Outcome: Reduction in net rebid price by ≈ \$1.5 M



Pricing: Submittal #1 versus Submittal #2 (continued)

- Value of recyclable materials is a trade-off between the price received and the cost to transport
- Original bid assumed recycling in East Texas
- For rebid we identified local contractors with a shorter haul and less fuel usage

Outcome: Lower transportation costs by \approx \$500 K



Pricing: Submittal #1 versus Submittal #2 (continued)

- Price reductions came from lowered direct costs, contingency, risk assessment, and profits for the project.
 - Action consistent with increased focus on price in the second RFP.

Outcome: Lower rebid price by \approx \$600 K



Pricing: Submittal #1 versus Submittal #2 (continued)

- We considered:
 - The entire RFP package including eight addenda
 - Changes in the prevailing market conditions
 - Alternative, scope compliant, means and methods

Outcome: Significant resultant savings, lowering rebid price



TRC Holly Street Bid Price Clarification

Price Result (Million)	Price Impact (Million)	Clarification
\$24.9	--	Initial Bid Price
\$19.9	~ 5.0	Salvage Credit Requirement (8/2010)
\$16.9	~ 3.0	Forecast – Metals Market Condition Change (with 7/11 Start)
\$13.9	~ 3.0	Non-Asbestos Removal Specification
\$12.4	~ 1.5	Civil Work Scope Clarifications
\$11.9	~ 0.5	Use of a Closer Recycling Center
\$11.5	~ 0.6	Profit/Contingency/Direct Cost Reductions

May 10, 2011



Summary

- As provided by **Section 271.116** (Texas Local Government Code) ***Austin Energy contracted under the competitive sealed proposal method*** for the Holly Street Power Plant Decommissioning Project.
- The competitive sealed proposal method allowed City staff to review, evaluate, and rank proposals ***based on stated evaluation criteria rather than awarding to the lowest responsive bid received.***
- TRC prepared proposals ***fully responsive to the parameters the City established*** and we followed the process exactly as required in both solicitations.
- TRC's proposals were ***scored highest*** offering the ***best technical merits*** and ***overall best value*** to the City ***by two separate evaluation panels during the solicitation process.***
- We have a ***unique, inclusive, and detailed perspective of community values*** related to the project.

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Questions



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